On April 9, 2009, Governor Perdue ordered the State Budget Office to take immediate steps to restrict spending for the balance of the fiscal year to ensure a balanced budget as of June 30, 2009.  This action was taken in anticipation of weak April revenues.  The following is a summary of the actions:

1. Cash allotments will only be approved for mandatory obligations including payroll, utilities, financial aid, required State aid, and debt service.
2. Effective immediately, no purchase orders will be issued for goods or services that require the expenditures of State appropriations.  This action is also applicable to use of P-Cards.  Utilization of these cards should be discontinued until further notice.  Furthermore, outstanding purchase orders for goods or services that have been ordered but not received by April 16, 2009 must be cancelled.
3. All travel requiring the expenditure of State appropriations shall be terminated for the remainder of the fiscal year.  Instances involving public safety, public health or economic development opportunities may be allowed but must be preapproved by the Chancellor or designee and reported to the Office of State Budget and Management (OSBM).  No out of state travel will be authorized.  Any other travel exceptions must be approved by OSBM.
4. Unless a prior commitment has been extended, all vacant permanent or temporary may not be filled.  A prior commitment is defined as a verbal or written communication between the hiring agency and the prospective employee detailing salary and employee start date.  Agencies may make special exceptions for positions that provide direct classroom instruction as well as positions critical to law enforcement, health care or public safety.
5. No promotions, reallocations (position reclassifications), career-banding adjustments, in-range adjustments or other salary adjustments may be made.
6. Carry forward of unspent funds from the current fiscal year into a future year should not be planned.

In applying these directives, special exceptions may be made for direct classroom expenses, law enforcement, health care, and public safety.  Any request for an exception must be accompanied by written justification and must be approved by OSBM.

UNC–General Administration hosted a conference call today to discuss campus challenges in dealing with these directives.  We are compiling a list of questions and will submit those to UNC-GA for OSBM consideration.  We expect to have further clarification by the first of next week.  In the meantime, we will begin implementing these measures by suspending all purchase requests.  All travel, unless it supports the classroom, should be suspended or cancelled until further information is provided.  Finally, we have begun the process of contacting vendors to ascertain if they can deliver the goods or complete the designated service by April 16th.

This action effectively discontinues all expenditures activity unless it meets one of the areas of exception.  We realize there will be many questions and we will make every attempt to provide additional information as it becomes available.  Accountable Officers must not commit or obligate the University for the expenditure of funds unless an exception has been obtained.

Please contact the provost, vice chancellor, or chief of staff if you have specific questions.  A copy of the OSBM memorandum is provided for your information.  Please share this message with employees in your area who do not have access to a computer.

Thanks,

Kyle Carter      Chuck Wooten

Provost            Vice Chancellor for Administration and Finance